

# **A G E N D A**

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) will hold a regular meeting on **Tuesday, December 13, 2022 at 5:15 p.m.** in the City Council Conference Room at 401 S. Rogers St., Waxahachie, TX

Committee Members: Rick Keeler, Chairman  
Melissa Ballard, Vice Chairman  
Betty Square Coleman  
Bonney Ramsey  
David Hudgins  
Erik Test  
Ron Ansell  
Travis Smith  
Brett Hess  
Jimmy Poarch

1. Call to Order
2. Invocation
3. **Public Comments:** Persons may address the Impact Fee Capital Improvements Advisory Committee on any issues. This is the appropriate time for citizens to address the Committee on any concern whether on this agenda or not. In accordance with the State of Texas Open Meetings Act, the Committee may not comment or deliberate such statements during this period, except as authorized by Section 551.042, Texas Government Code.
4. **Reorganize** the Committee
5. **Approval** of minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of May 24, 2022
6. **Presentation** to accept Impact Fee revenue and expenditure activity from April 1, 2022-September 30, 2022 and consider proposed increase to Impact Fee collection rates
7. Adjourn

**The IFCIAC reserves the right to go into Executive Session on any posted item.**

This meeting location is wheelchair-accessible. Parking for mobility-impaired persons is available. Any request for sign interpretive services must be made forty-eight hours ahead of the meeting. To make arrangements, call the City Secretary at (469) 309-4006 or (TDD) 1-800-RELAY TX.

***Notice of Potential Quorum***  
***One or more members of the Waxahachie City Council and/or***  
***Planning & Zoning Commission may be present at this meeting.***

(5)

Impact Fee Capital Improvements Advisory Committee  
May 24, 2022

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) held a regular meeting on Tuesday, May 24, 2022 at 5:30 p.m. in the City Council Conference Room at 401 S. Rogers St., Waxahachie, TX.

Members Present: Rick Keeler, Chairman  
Melissa Ballard  
Betty Square Coleman  
Bonney Ramsey  
David Hudgins  
Chris Wright  
Jimmy Poarch

Members Absent: Jim Phillips  
Erik Test  
Clyde Hargrove  
Brett Hess  
John Houston

Others Present: Jennifer Pruitt, Senior Director of Planning  
Shon Brooks, Executive Director of Development Services  
James Gaertner, Director of Public Works & Engineering  
Amber Villarreal, City Secretary

1. **Call to Order**
2. **Invocation**

Chairman Rick Keeler called the meeting to order and gave the invocation.

3. **Public Comments**

None

4. **Approval of minutes of the regular Impact Fee Capital Improvements Advisory Committee meetings of November 9, 2021 and April 26, 2022**

**Action:**

*Ms. Bonney Ramsey moved to approve the minutes of the Impact Fee Capital Improvements Advisory Committee meetings of November 9, 2021 and April 26, 2022. Vice Chairman Melissa Ballard seconded, All Ayes.*

5. **Hear and accept the April 2022 Mid-Year Impact Fee Report**

Johnny Partain, Utilities Engineer, reviewed the Impact Fee revenue and expenditure activity summary for October 1, 2021-March 31, 2022. He presented a brief summary of the projects which have been funded, or partially funded through the use of water impact fees during FY 22-22:

- BNSF Railroad 18" Water Transmission Line Project Phase 1 and Phase 2 (Engineering design only)
- Distribution Line: Lofland Road/Ovilla Road Phase 1 (Engineering design only)

(5)

Impact Fee Capital Improvements Advisory Committee

May 24, 2022

Page 2

- Howard Road WTP High Service Pump No. 5
- Dove Hollow Oversized Participation Agreement
- Debt Service

Anticipated FY 22-23 (Second Half) Water Impact Fee Expenditures:

- Oversized Water Participation Projects
- Fire Station No. 4
- Water Distribution System Master Plan Update

Mr. Partain stated the balance of Water Impact Fees, including revenues and expenses through March 31, 2022, total \$6,859,529.67. Ending balance of Sewer Impact Fees, including revenues and expenses through March 31, 2022, total \$6,689,782.29. He reviewed the summary of the projects which have been funded, or partially funded through the use of sewer impact fees during the first half of FY 21-22:

Sewer Impact Fee Expenditure Summary FY 21-22 (Mid-Year)

- Waste Water Treatment Plan Improvements Project
- Debt Service

Anticipated FY 21-22 (Second Half) Sewer Impact Fee Expenditures

- Oversized Wastewater Line Participation Project
- Wastewater Collection Master Plan Update
- Waste Water Treatment Plant Rehabilitation Project
- City's Waste Water Debt Service

Eneida Ojeda, Public Works Business Operations Manager, reviewed a table illustrating the revenues and expenditures for roadway impact fees from September 30, 2021 to March 31, 2022 totaling \$12,966,558.47. She noted the table includes seven (7) service areas.

She reviewed a summary of FY 21-22 (Mid-Year) Roadway Impact Fee Expenditures:

- Roadway Impact Fee Update

Ms. Ojeda also reviewed the Anticipated FY 22-23 (Second Half) Roadway Impact Fee Expenditures

- Left turn lane of Northgate onto Highway 77 Service Area 4
- Concept Plan for Farley Street Service Area 4
- Concept Plan for Broadhead Road Service Area 5
- Marshall Road Service Area 1
- Dove Hollow-Vista Way Water Min Phase I Reimbursement Area 2

(5)

Impact Fee Capital Improvements Advisory Committee

May 24, 2022

Page 3

Senior Planning Director Jennifer Pruitt thanked City staff for assisting with the fiscal year Impact Fee Report.

**Action:**

*Vice Chairman Melissa Ballard moved to accept the April 2022 Mid-Year Impact Fee Report. Ms. Bonney Ramsey seconded, All Ayes.*

**6. Adjourn**

There being no further business, the meeting adjourned at 5:50 p.m.

Respectfully submitted,

Amber Villarreal  
City Secretary

(u)



## Memorandum

To: Impact Fee Advisory Committee  
From: Jennifer Pruitt, Senior Director of Planning  
Thru: Michael Scott, City Manager  
Date: December 13, 2022  
Re: FY 2021-2022 Impact Fee Revenue and Expenditure Activity End of the-Year Report

---

In May 2022, city staff presented the Mid-Year FY 2021-2022 Impact Fee Revenue and Expenditure Activity Report to the Impact Fee Capital Improvement Advisory Committee. The activity summary detailed impact fee revenue and expenditures from October 1, 2021, to March 31, 2022.

The following report entails the Impact Fee revenue and expenditure activity summary for the second half of the 2021-2022 fiscal year, which includes data from April 1, 2022, to September 30, 2022. Impact fees are authorized under Chapter 395 of the Texas Local Government Code and empower municipalities to levy a charge or assessment against new development to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.

Please note that additional revenues and expenses may post for this reporting period after the date of this report. If additional revenues and expenses are posted for this period, they will be reflected in the next biannual report.

Also included in this report is the staff's evaluation and recommendation to increase impact fee collection rates. The team has included recent data collected, including the comparable cities in the Metroplex Impact Fee rates and Waxahachie's 2021 and 2022 Impact fee current collection rates in comparison to an 85 percent, 95 percent, and 100 percent Impact Fee maximums comparison for the Impact Fee Advisory Committee to review.

(6)

## **Impact Fee Revenues and Expenditures**

Below are tables illustrating the revenues and expenditures for water, sewer, and roadway impact fees from October 1, 2021, to September 30, 2022, with a brief explanation of the associated spending from each project.

### **Water Impact Fees**

<b>Fiscal Year</b>	<b>FY 21-22 (Through 09/30/2022)</b>
Beginning Balance	\$6,109,203.05
Revenues	\$1,698,946.39
Expenses	<b>\$3,676,553.60</b>
Ending Balance	\$4,131,595.84

### **Water Impact Fee Expenditure Summary FY 21-22**

Below is a summary of the projects which have been funded, or partially funded through the use of water impact fees during the FY 21-22 budget year:

#### **BNSF Railroad 18" Water Transmission Line Project Phase 1 and Phase 2 (engineering design only)**

This project replaces approximately 6,600 linear feet of an existing 10-inch AC water line with an 18" water transmission line and approximately 700 linear feet of a 24" water transmission line. This new transmission line will be constructed parallel to and on the east side of the BNSF railroad from Butcher Road south to Mustang Creek. The new pipeline is part of a more extensive series of water infrastructure improvements that will help facilitate water through the 791 Service Area. A contract for the engineering design and construction oversight services for these projects are funded with \$263,601.58 from Water Impact Fees that were transferred to the Water Capital Project Fund. Expenditures in the amount of \$6,087.06 were recorded in the 2021-2022 fiscal year.

#### **Distribution Line: Lofland Road/Ovilla Road Phase 1(Construction only)**

This project is the first phase to install approximately 8,900 linear feet of 24" diameter water transmission line. The limits are from Cardinal Road east of the BNSF Railroad west to Ovilla Rd at the Marshall Rd intersection. The project budget is partially funded with \$2,942,332.15 of Water Impact Fees. Expenditures in the amount of \$154,989.77 were recorded in the 2021-2022 fiscal year.

#### **Dove Hollow (Oversize Participation)**

Staff has entered into a participation agreement to oversize approximately 1610 linear feet of 16" water line in the Dove Hollow development Phase. The developer has been reimbursed with funds from the Water Impact Fee Fund in the amount of \$130,000.00.

(u)

Howard Road WTP High Service Pump No.5(Engineering and Construction)

This project includes the engineering design and construction oversight services of a new pump and motor configuration. This is a necessary system upgrade to fortify the existing infrastructure to provide additional treated water pumping capacity into the water distribution system to meet current and future demands from the Howard Road Water Treatment Plant. This project is fully funded with \$718,128.00 of water impact fees that were transferred to the Water Capital Project Fund. Expenditures in the amount of \$88,603.30 were recorded in the 2021-2022 fiscal year.

Water Line - Fire Station No.4(Engineering Design only)

Staff entered into a civil engineering services agreement to design a new 12" water line extension, approximately 780 linear feet, along the I-35 frontage road south of Brookside Road and to the southeast corner of the Waxahachie Fire Station #4 Site to serve the new Fire Station #4. This project is partially funded with \$15,000.00 of Water Impact Fee funds, of which \$12,680.00 were recorded in the 2021-2022 fiscal year.

Debt Service

The City issues debt for financing long-term infrastructure capital improvements. Infrastructure includes those basic physical structures provided by the government to support basic services, including improvements and new components to the City's utility system. Utility-related bond projects are largely financed by a portion of monthly water fees paid by the City's utility customers. Additionally, water impact fees may be used to support and partially offset the required annual debt service for these bond funds. In FY 2021-2022, water impact fees contributed \$99,000.00 toward the City's water debt service.

**Anticipated FY 22-23 Water Impact Fee Expenditures**

JP Tyler - Sunbelt Oversize Participation 16" Water Line

Staff has entered into a participation agreement with Sunbelt Rentals. The City will oversize an existing 12" water line with a 16" water line that shall be installed along the West side of the I35E service for 2,725.07-linear feet. The developer will be reimbursed with funds from the Water Impact Fee Fund for \$261,615.00.

Water Distribution System Master Plan Update - FY23

Staff has entered into a professional services agreement to update the Water Distribution System Master Plan. The master plan process will include updating land use assumptions, water demand and flow projections, hydraulic water models, and recommended Capital Improvements Plan. The current master plan was last updated and adopted in FY2016. With the anticipated / current growth the City is experiencing, as well as recent legislative changes to annexation laws that directly impact our (CCN) service area, staff believe an update is warranted. The project is funded with \$305,500.00 from water impact fee funds.

Distribution Line: Lofland/Ovilla Road Loop Phase 2(Engineering Design Only)

Staff entered into a service agreement for engineering design and construction oversight services to construct approximately 5800 linear feet of 20" and 24" diameter water transmission line that shall be installed along Ovilla Road from Marshall Road to the south

(6)

side of HWY 287 bypass. This project is funded with \$672,575.00 of water impact fees that were transferred to the Water Capital Project Fund.

Cardinal Rd Oversized Participation -24" Waterline

Staff has entered into a participation agreement with Cardinal Road Self Storage LTD. The City will oversize an existing 12" water line with a 24" water line that shall be installed along Cardinal Road for approximately 310 linear feet along the northern Cardinal Road right-of-way. This 24" diameter line is consistent with the City's current Water Distribution System Master Plan. The developer will be reimbursed with funds from the Water Impact Fee Fund for \$129,812.61.

Saddle Brook Estates Phase III 16" Oversize Water Line Participation

Possible participation with 287 Waxahachie, LP. The City would oversize approximately 1,160-linear feet of 16" diameter water line within the Saddlebrook Estates development. This line is consistent with the City's current Water Distribution System Master Plan. The developer will be reimbursed with funds from the Water Impact Fee Fund for approximately \$130,000.00.

FM 878 at 287 Bypass 12" and 16" Water Line (Engineering Design only)

Water Impact Fees in the amount of \$416,000.00 were transferred from the Water Impact Fee fund to the Water Capital Project fund for engineering design and construction oversight services of approximately 13,500-LF of 16 and 12-inch water lines that will extend water service from Cleaver Street to the eastern portion of the service area including FM 878 and FM 879 areas in the 715 Pressure Plane. This project includes a bored waterline crossing under US-287 Bypass at Cleaver Street, and connecting to the existing water line on Parks School House Road to provide a looped system. This project is the companion project to the Lower Mustang Creek Trunk Sewer line.

IH-35 Water Main Lofland to Butcher (Construction only)

Water Impact fees in the amount of \$132,250.00 were transferred from the Water Impact Fee fund to the Water Capital Improvement Fund to supplement the cost of the construction of 4,230 linear feet of 18" water line along the east right of way of IH335 from the existing 18" water line at Butcher Road to the 18" water line on the south side of Lofland Road at the Owens Corning facility.

Sewer Impact Fees

<b>Fiscal Year</b>	<b>FY 21-22 (Through 09/30/2022)</b>
Beginning Balance	\$6,505,703.57
Revenues	\$1,743,148.42
Expenses	<b>\$5,126,902.84</b>
Ending Balance	\$3,121,949.15

(u)

## **Sewer Impact Fee Expenditure Summary FY 21-22**

Below is a summary of the projects which have been funded, or partially funded through the use of sewer impact fees during the FY 21-22 budget year:

### **Wastewater Treatment Plant Improvements Project**

In October 2019, City Council awarded BAR Construction a contract of \$12,875,550.00 for the Wastewater Treatment Plant. \$1,359,493.00 of this project is funded by impact fees, with the rest of the project being funded through Certificate of Obligation Bonds. In addition, the City also executed a material testing contract in January 2020 with Alpha Testing for \$53,888.50. This is also funded with impact fees. Also, there was a budget of \$856.00 allocated for advertising the solicitation. In accordance with IRS Rules governing bonds, the City will spend the bonds funds first. Expenditures in the amount of \$824,277.00 were recorded in the 2021-2022 fiscal year.

### **Jefferson Lift Station Capacity Expansion**

A change order to the Wastewater Treatment Plant Improvements Project of approximately \$5.373 million was approved by City Council on April 4, 2022. While funding for this change order utilizes mostly Local Coronavirus Relief Funding, it also includes \$853,931.00 of wastewater impact fee funds. The new construction completion date is anticipated to be August 1, 2023. In accordance with IRS Rules governing bonds, the City will spend the bonds funds first. The impact fees associated with this project will be fully expended in this current fiscal year. Expenditures in the amount of \$42,151.07 were recorded in the 2021-2022 fiscal year.

**Debt Service** – The City issues debt for financing long-term infrastructure capital improvements. Infrastructure includes those basic physical structures provided by the government to support basic services, including improvements and new components to the City’s utility system. Utility-related bond projects are largely financed by a portion of monthly sewer fees paid by the City’s utility customers. Additionally, waste water impact fees may be used to support and partially offset the required annual debt service for these bond funds. In FY 2021-2022, wastewater impact fees contributed \$1,227,880.00 toward the City’s wastewater debt service.

## **Anticipated FY 22-23 Sewer Impact Fee Expenditures**

### **Wastewater Collection System Master Plan Update – FY23**

Staff has entered into a professional service agreement to update the Wastewater Collection System Master Plan. The master plan process will include updating land use assumptions, wastewater demand and wastewater flow projections, wastewater hydraulic models, and providing Capital Improvements Plan. The current master plan was last updated and adopted in FY2016. With the anticipated current growth, the City is experiencing, as well as recent legislative changes to annexation laws that directly impact our (CCN) service area, staff believe an update is warranted. The project is funded with \$344,500.00 from the wastewater impact fee fund that has been transferred into the Wastewater Capital Project Fund.

(u)

Wastewater Treatment Plant Master Plan Update

The current master plan was adopted in FY2017. With the anticipated / current growth the City is experiencing, as well as recent legislative changes to annexation laws that directly impact our (CCN) service area, staff believe an update is warranted. The project is funded with \$276,000.00 from the Wastewater Impact Fee Fund.

Pine Meadows Oversized Wastewater Line Participation Project

Staff anticipates entering into a participation agreement with the Pine Meadows Phase II developer. The Developer will oversize an existing 12" sewer line along Cantrell Street with a 15" sewer line. The developer will be reimbursed with funds from the Wastewater Impact Fee Fund for \$75,000.00.

Lower Mustang Creek Trunk Sewer Phase 3(Engineering Design only)

Engineering design and construction oversight services to update approximately 15,000 linear feet of 12" diameter pipe to 21" diameter sewer line that will provide service to an undeveloped area east of US Hwy 287 Bypass and FM 878/879 corridor. This project is west of the Cole Creek Trunk Sewer Project and would service approximately 1,800 acres in the drainage basin between Cole Creek and US Hwy 287 Bypass. The limits are from the existing 27-inch gravity sewer near the Lower Mustang Creek Lift Station, extending northwest upstream along Mustang Creek approximately and terminating near FM 878 and US Hwy 287 Bypass intersection. The project is funded with \$367,000.00 from the Wastewater Impact Fee Fund that was transferred to the Wastewater Capital Improvement Fund. This is the companion project to FM 878 at 287 Bypass Water Line project.

Grove Creek Parallel Gravity Trunk Sewer Phase IV (Construction only)

Staff entered into a service agreement for engineering design and construction oversight services to construct approximately 18,675 linear feet of 27" sanitary trunk sewer and approximately 645 five-foot diameter sanitary sewer manholes parallel to the existing Grove Creek Trunk Sewer from south of Butcher Road at Highland Village south to the Grove Creek Lift Station. The parallel sewer is expected to be situated mainly inside an existing 30-foot-wide Sanitary Sewer Easement. This project is partially funded with \$3,052,565.00 of Wastewater Impact Fees that were transferred to the Wastewater Capital Projects Fund. This project has been delayed due to easement negotiations.

(u)

**Roadway Impact Fees**

Below is a table illustrating the revenues and expenditures for roadway impact fees from September 30, 2021, to September 30, 2022:

Service Area	FY 2022 Start	Revenues	Expense	FY2022 End
Service Area 1	\$977,414.37	\$105,596.34	<b>\$578,749.11</b>	\$507,955.89
Service Area 2	\$2,498,782.54	\$1,462,425.65	<b>\$331,095.18</b>	\$3,656,707.70
Service Area 3	\$651,078.74	\$103,205.74	----	\$759,810.47
Service Area 4	\$2,033,276.55	\$109,077.58	----	\$2,158,049.30
Service Area 5	\$2,136,445.46	\$442,651.01	----	\$2,597,991.27
Service Area 6	\$1,829,636.40	\$135,614.50	----	\$1,979,648.59
Service Area 7	\$1,123,579.79	\$478,151.31	----	\$1,613,465.59
Interest	----	\$96,626.64	----	----
<b>Total</b>	<b>\$11,250,213.85</b>	<b>\$2,933,259.25</b>	<b>\$909,844.29</b>	<b>\$13,273,628.81</b>

**Roadway Impact Fee Expenditure Summary FY 21-22**

Below is a summary of the projects which have been funded, or partially funded through the use of Roadway impact fees during the FY 21-22 budget year:

Farley Street Service Area 4

BGE Engineering firm is preparing the concept plan for Farley Street and is anticipated to be completed by Spring of 2023. The limits of Farley Street concept plan is from Richmond St. to Hwy 287. The concept plan will determine alignments and cost estimates for this project and determine possible construction phases based on funding available. Expenditures in the amount of \$135,265.00 were recorded in the 2021-2022 fiscal year.

Marshall Road Service Area 1

Purchased Right of Way for Marshall Road from I35 to Solon Road (\$578,749.11).

Dove Hollow – Vista Way Roadway Reimbursement Area 2

Reimbursed Dove Hollow Phase I Developer \$331,095.18 for the construction of Vista Way

**Anticipated FY 22-23 Roadway Impact Fee Expenditures**

Potential future projects for Roadways include:

Left turn lane of Northgate onto Highway 77 Service Area 4

Anticipated to start Engineering early 2023 and begin construction in late 2023.

Concept Plan for Broadhead Road Service Area 5

Anticipated to start the concept plan in early 2023 from April Lane to North of Youngblood. The concept plan will determine alignments and cost estimates for future construction phases.

(u)

## **Impact Fee Increase Analysis**

The City of Waxahachie authorized Freese and Nichols and Birkhoff, Hendricks & Carter, L.L.P. to evaluate and update the City's land use assumptions, capital improvements plan, and impact fees as part of a 2020 Impact Fee Study. These firms used growth projections, roadway, water, and wastewater loading criteria, based on the City's Thoroughfare Plan, water and wastewater Master Plans. The report updated the City's use assumptions for 2020 through 2030.

The sum of all upcoming projects' projected costs was used to calculate a total impact fee divided by the projected growth in living unit equivalents for water and wastewater to determine the maximum allowable impact fees for those systems.

For simplicity of the analysis, we will review the Impact Fees increase impact to a single family residential development. The resulting maximum calculated impact fee and effective collected impact fee for a residential 5/8" x 3/4" meter and the average roadway service area fee is summarized in the table below:

	Maximum Calculated Fee	Fees Imposed	Percent of Maximum
Water	\$3,275	\$2,216	67.66%
Wastewater	\$3,781	\$2,321	61.39%
Roadway*	\$1,196	\$1,103	92.22%

**\*Roadway Impact Fee is the average of the Service Areas Fees**

Since the Roadway Impact fee is near the maximum allowed, we will focus on the water and sewer impact fees for the analysis. However, additional roadway impact fees are going to be needed to keep up with the growth demand of the Thoroughfare Infrastructure, including some costly projects such as the proposed bridges for Ridge Crossing to the High School, Farley Street, and Cardinal Road. Staff believes these cost should be shared by the developer to the extent allowed under state statute.

In FY2021, the City generated \$4,396,876.71 from the Water and Wastewater Impact Fees collection. Waivers, totaling \$95,208.50 were approved for any "applicant" not subject to an impact fee.

In FY2022, the City collected \$3,442,094.81 in Water and Wastewater Impact Fees. Waivers totaling \$240,794.00 were approved for any "applicant" not subject to an impact fee.

In FY2022, the Utilities Department allocated \$8,803,457.00 in impact fees to fund capital improvement projects, infrastructure, and facility expansions. On December 01, 2022, there was an undesignated available balance of \$2,589,448.00 for the Water Impact Fee and \$1,063,302.00 for the Wastewater Impact Fee Fund.

(u)

In addition, to the projects discussed earlier in the report, we need to take into consideration the Wastewater Treatment Plant and a Water Treatment Plant that will require an expansion within the 10-year period. We also have other growth related projects in the 5-year CIP that will require funding.

Staff developed a revenue projection model based on the number of applicants for building permits subject to an impact fee in FY2022. The projection model provides potential revenue at 85, 95, and 100% of the maximum allowable for water and wastewater impact fees to highlight the potential that exists with a rate adjustment. Below is a table illustrating the revenues for water and sewer impact fees from October 1, 2021, to September 30, 2022, which is shown as the "FY22 Collected Amount" for water and wastewater combined. The additional columns indicate the potential revenue attained with an adjustment to the imposed fee up to the maximum allowed according to Chapter 395 of the Texas Local Government Code.

**FY22 Water and Wastewater Impact Fees Collected and Potential Fees**

<b>Meter Size</b>	<b>FY22 Collected Amount</b>	<b>85% of Maximum*</b>	<b>95% of Maximum*</b>	<b>Maximum Allowed</b>
<b>5/8"x 3/4"</b>	\$2,497,354.38	\$3,810,829.65	\$4,259,162.55	\$4,483,329.00
<b>1"</b>	\$98,451.50	\$127,411.60	\$142,401.20	\$149,896.00
<b>1 1/2"</b>	\$97,247.00	\$127,405.65	\$142,394.55	\$149,889.00
<b>2"</b>	\$435,041.98	\$635,654.65	\$710,437.55	\$747,829.00
<b>4"</b>	\$87,149.95	\$149,930.65	\$167,569.55	\$176,389.00
<b>6"</b>	\$226,850.00	\$299,863.00	\$335,141.00	\$352,780.00
<b>Total</b>	\$3,442,094.81	\$5,151,095.20	\$5,757,106.40	\$6,060,112.00

**\*The totals assume the fee collected is according to the most recent fee schedule.**

The following is the total of Water and Wastewater Impact fees based on the 85%, 95% and the maximum allowable according to Chapter 395 of the Texas Local Government Code.

(6)

**Total Water and Wastewater Impact Fee per Meter Size**

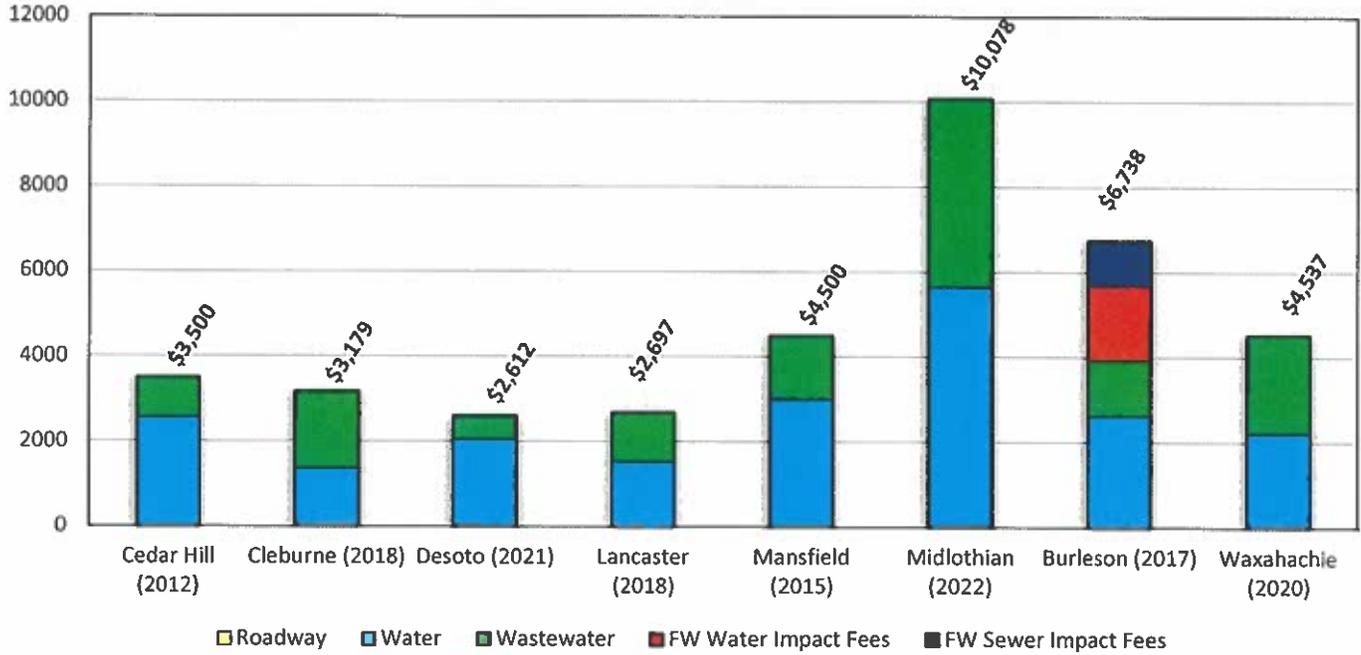
<b>Meter Size</b>	<b>Impact Fee</b>	<b>85% of Maximum*</b>	<b>95% of Maximum*</b>	<b>Maximum Allowed</b>
<b>5/8"x 3/4"</b>	\$4,537.00	\$5,997.60	\$6,703.20	\$7,056.00
<b>1" Simple</b>	\$11,341.85	\$14,993.15	\$16,757.05	\$17,639.00
<b>1 1/2" Simple</b>	\$22,683.65	\$29,986.30	\$33,514.10	\$35,278.00
<b>2" Simple</b>	\$36,293.97	\$47,978.25	\$53,622.75	\$56,445.00
<b>2" Compound</b>	\$36,293.97	\$47,978.25	\$53,622.75	\$56,445.00
<b>2" Turbine</b>	\$45,367.29	\$59,972.60	\$67,028.20	\$70,556.00
<b>3" Comp</b>	\$72,587.94	\$95,955.65	\$107,244.55	\$112,889.00
<b>3" Turbine</b>	\$108,881.30	\$143,933.90	\$160,867.30	\$169,334.00
<b>4" Compound</b>	\$113,417.62	\$149,931.50	\$167,570.50	\$176,390.00
<b>4" Turbine</b>	\$190,542.56	\$251,884.75	\$281,518.25	\$296,335.00
<b>6" Compound</b>	\$226,836.53	\$299,863.00	\$335,141.00	\$352,780.00
<b>6" Turbine</b>	\$417,378.41	\$551,746.05	\$616,657.35	\$649,113.00
<b>8" Compound</b>	\$362,937.80	\$479,779.95	\$536,224.65	\$564,447.00
<b>8" Turbine</b>	\$725,875.59	\$959,559.05	\$1,072,448.35	\$1,128,893.00
<b>10" Compound</b>	\$521,722.71	\$689,683.20	\$770,822.40	\$811,392.00
<b>10" Turbine</b>	\$1,134,180.07	\$1,499,311.60	\$1,675,701.20	\$1,763,896.00
<b>12" Turbine</b>	\$1,497,117.19	\$1,979,089.85	\$2,211,923.95	\$2,328,341.00

**Water and Wastewater Comparable Analysis**

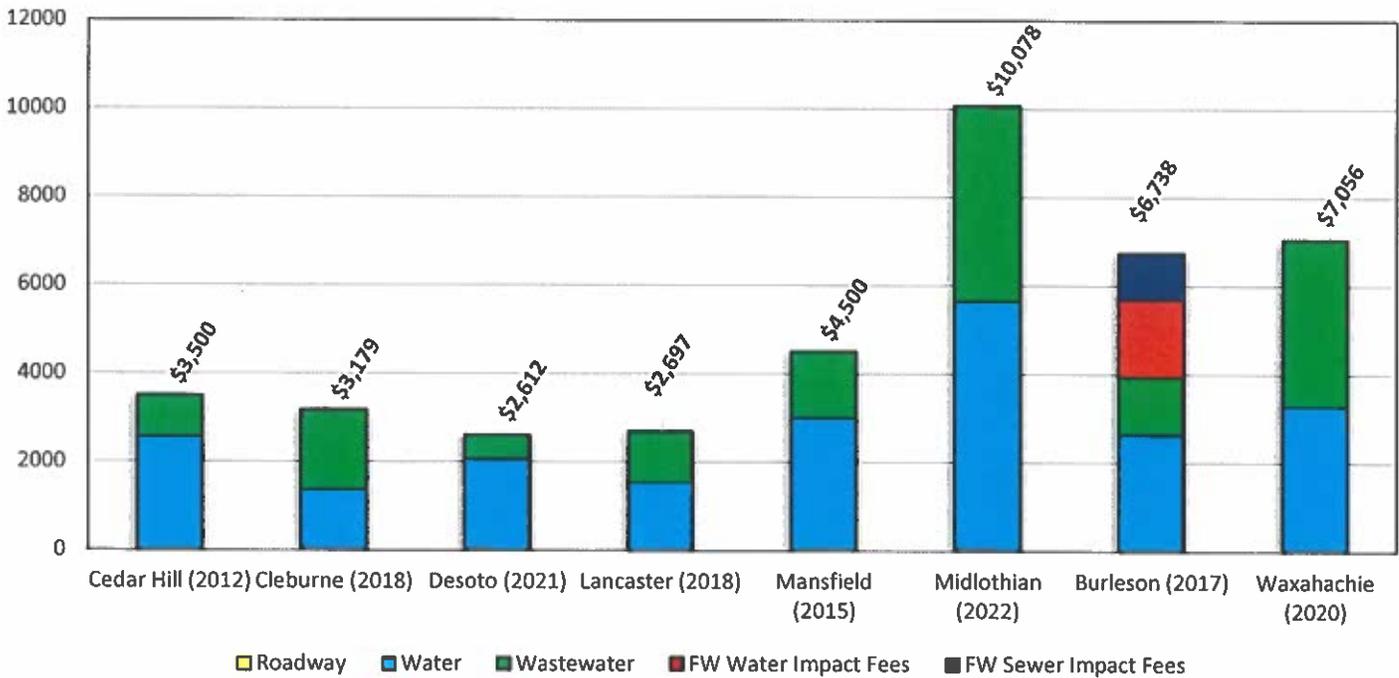
Recently, staff assessed the current impact fee schedule against cities in the region. The data analysis from comparable "full service" cities indicates that the current fee schedule is near the mean for the municipalities in the pool. The benchmark used in the study was the meter size installed for new residential water and wastewater service. The standard for comparison Waxahachie standard 5/8" x 3/4" meter and other city's residential meters. The table below illustrates the combined total water and wastewater impact fees for the listed municipalities.

(6)

### Existing Water and Wastewater Impact Fee Comparison Single-Family Residential



### Proposed Water and Wastewater Impact Fee Comparison Single-Family Residential



(6)

## **Roadway Impact Fee Increase Analysis**

Staff also developed a revenue model that projects revenue at 85, 95, and 100% of the maximum allowable for roadway impact fees to highlight the potential that exists with a rate adjustment. Below is a table illustrating the revenues the "Paid Amount" for each corresponding service area and the potential revenue attained with an adjustment to the imposed fee up to the maximum allowed according to Chapter 395 of the Texas Local Government Code. Again, this suggested increase of the City's Roadway Impact Fees would allow development to more proportionately share in the cost of providing needed roadway capacities.

### **Total Roadway Impact Fee per Service Area**

<b>Service Area</b>	<b>Current Fee</b>	<b>85% of Maximum</b>	<b>95% of Maximum</b>	<b>Maximum Allowed</b>
<b>Service Area 1</b>	\$781.35	\$786.25	\$878.75	\$925.00
<b>Service Area 2</b>	\$909.86	----	\$963.30	\$1,014.00
<b>Service Area 3</b>	\$900.89	\$936.70	\$1,046.90	\$1,102.00
<b>Service Area 4</b>	\$1,193.00	----	----	\$1,193.00
<b>Service Area 5</b>	\$1,071.81	----	\$1,086.80	\$1,144.00
<b>Service Area 6</b>	\$923.00	----	----	\$923.00
<b>Service Area 7</b>	\$1,378.25	----	----	\$1,420.00

## **Next Steps**

Upon receiving acceptance of this report by the Impact Fee Advisory Committee, staff will provide it to City Council for consideration.

Options for IFAC committee:

1. Accept the end-of-year report and recommend that the Impact Fees are not increased from the current assessed rates.
2. Accept the end-of-year report and recommend that the Water and Waste water Impact Fees be increased to:
  - a) 85% of the maximum
  - b) 95% of the maximum
  - c) 100% of the maximum
3. Accept the end-of-year report and increase the Roadway Impact fees to:
  - a) 85% of the maximum for Service areas 1 and 3.
  - b) 95% of the maximum for Service areas 1,2,3, and 5.
  - c) 100% of the maximum for service areas 1,2,3 and 5. Service areas 4, 6, and 7 are already assessed at 100%.

(u)

Option one above is not recommended by staff due to the future anticipated costs of road replacement and costs of capital improvements or facility expansions necessitated by and attributable to the new development.

City staff is recommending the Maximum Allowed Impact fees due to the anticipated projects due to new development. Should the recommendation for the Impact Fees be increased, staff recommends the increase start on April 1, 2023. That would allow staff time to notify the development community accordingly and complete the Mid-year Impact fee report after March 31, 2023.

Staff's recommendation to City Council will be based on the recommendation from the IFAC determination from the data collected above. Staff will continue to update the Impact Fee Advisory Committee on the use of impact fees and the progress on the overall Capital Improvement Plan. Staff intends to provide its next Impact report to the Advisory Committee in the Spring of 2023, covering Impact Fee revenues and expenses from September 30, 2022, through March 31, 2023.